

HAWTHORNE ARMY DEPOT, NEVADA (JOINT CROSS SERVICE GROUP – INDUSTRIAL)

SECRETARY OF DEFENSE RECOMMENDATION

Close Hawthorne Army Depot, NV. Relocate Storage and Demilitarization functions to Tooele Army Depot, UT.

SECRETARY OF DEFENSE JUSTIFICATION

Capacity and capability for Storage and Demilitarization exists at numerous munitions sites. To reduce redundancy and remove excess from the Industrial Base, the closure allows DoD to create centers of excellence and establish deployment networks that support readiness. Hawthorne Army Depot has infrastructure problems that severely limit the ability to offload.

COMMUNITY CONCERNS

Community advocates pointed out the slowed rates of munitions demilitarization makes storage capacity a more valuable commodity in the next few years as DoD faces the return of large quantities of ammunition from overseas. Estimates of 600,000 tons to return in 2007, would fill the existing depot system to 98 percent of capacity. Elimination of Hawthorne's storage capacity will require building an additional 1,000 magazines at a cost of \$500 million. Hawthorne's demilitarization facilities are the most environmentally friendly in the Army, and re-creating them at Tooele would cost between \$157 million and \$340 million, and take seven years to complete. On-going joint activities at Hawthorne include Navy Special Forces High Desert Training, Navy Undersea Warfare Center, Marine Corps Sniper Team Training and weapons testing, Army Ranger High Desert Training and processing of Air Force and Navy bombing ranges scrap. The depot's training facilities are particularly well suited to simulating conditions in the Middle East. The community disagreed with DoD's estimates for closure costs and believed that the costs could exceed \$840 million and reach as high as \$1.2 billion. Funds would be needed to retire outdated munitions, create duplicate capability elsewhere, and for environmental remediation. Additionally, the community argued that insufficient weight was given to the fact that the depot faces no encroachment problems, as it is surrounded by Bureau of Land Management and US Forest Services controlled lands. In direct response to DoD's contention of offload problems at Hawthorne due to washouts at its facilities, the community countered that, with an average yearly rainfall of no more than 5 inches no offload problems exist. The community strenuously questioned the application of military judgment in the Hawthorne closure decision.

The community contended that DoD used erroneous data for employment and economic consideration. Based on community input, DoD corrected the Region of Influence to Mineral County, NV. The community contended that closure of Hawthorne Army Depot would result in direct job losses of 30 percent in the town of Hawthorne with indirect effects driving total job losses as high as 50 percent. Community leaders and elected representatives claimed the economic impacts would be so devastating that the local area would never recover and become a ghost town, noting that Mineral County is 98 percent federally managed. They believed detrimental effects included reduced property values and property tax revenue. Effects could include default on a \$6 million school bond and loss of revenues for education, including Community College programs, potential loss of a hospital in Western Central Nevada, loss of a paid fire department, loss of quality of life programs (parks, libraries, museums, youth programs), loss of dental and medical service providers, increased fees for other services (water, sewer and, garbage collection) and downsizing or closure of the only food and pharmacy store in town. The community argued that closure of the depot will result in the loss of about 10 million square feet of storage capacity now filled to

almost 70 percent of capacity. In sum, the community contends the DoD recommendation is a massive deviation from Selection Criteria 6.

COMMISSION FINDINGS

The Commission found sufficient discrepancies in the data to reject DoD's recommendation to close Hawthorne Army Depot. Currently unused munitions demilitarization capabilities of about 30,000 tons per year and unused storage capabilities of about 44 percent at Hawthorne Army Depot would be available as significant quantities of munitions return in the near future from Korea, Europe and Southwest Asia. Added to current stockpiles, these munitions will also require demilitarization and /or storage. Past diversions from the conventional munitions demilitarization account have resulted in increasing stockpiles of obsolete munitions that have increasingly filled available storage space. The Commission received information that the Department of Defense plans to increase spending on conventional demilitarization to approximately \$541 million for fiscal years 2006 through 2011 to reduce its current backlog of approximately 390,000 short tons. The degree of success or failure of this planned effort in the face of higher priority wartime needs will consequently have a major effect on conventional munitions demilitarization and storage.

The Commission found none of the problems noted by the Department of Defense that limit loading and offloading of munitions at Hawthorne. DoD undervalued additional services provided by the depot, including range scrap processing for the Navy and Corps of Engineers, testing and loading of explosive charges, ammunition testing, ammunition restoration, and testing for the next generation of robotic security systems. Further, the depot offers training opportunities in 71,287 acres of high altitude desert terrain similar to that found in Iraq and Afghanistan, including high-angle sniper and other firing ranges, high altitude patrol, and desert convoy operations. The depot has also signed an agreement with the Defense Logistics Agency to store the military's entire stockpile of elemental mercury.

The Commission also found that DoD significantly underestimated the economic impact of closing Hawthorne by erroneously using the Reno-Sparks Metropolitan Statistical Area as its baseline location. The depot in fact draws its personnel from the Mineral County, NV, Region of Influence (ROI). Recalculation of economic impact in the appropriate ROI with correct personnel figures yielded a 37 percent negative impact to the county.

Last, the Commission determined that environmental clean-up costs of closure may reach as high as \$708 M. Current estimated restoration costs are \$383.24 M. Additionally, between \$29.2 M and \$324.8 M would be required to clean up 16 operational ranges.

COMMISSION RECOMMENDATIONS

The Commission found that the Secretary of Defense deviated substantially from final selection criteria 1, 2, 3, 6 and 8, and the Force Structure Plan. Therefore, the Commission has rejected the recommendation of the Secretary. The Commission found this recommendation is consistent with the Force Structure Plan and final selection criteria.